

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

BIG LOTS, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 24-11967

(Jointly Administered)

Re: Dkt. Nos. 511, 683

**OBJECTION TO CURE AMOUNT AND RESERVATION OF RIGHTS
OF SUN LIFE ASSURANCE COMPANY OF CANADA**

NOW COMES Sun Life Assurance Company of Canada (“Sun Life”) and hereby objects (the “Objection”) to the proposed cure amount set forth in the above-captioned debtors’ (collectively, the “Debtors”) *Notice of Potential Assumption and Assignment of Executory Contracts or Unexpired Leases and Cure Amount* [Dkt. No. 511] (the “Potential Cure Notice”) and *Notice of Proposed Assumption and Assignment of Executory Contracts or Unexpired Leases and Cure Amounts* [Dkt. No. 683] (the “Proposed Cure Notice”; together with the Potential Cure Notice, the “Cure Notices”).

In support of this Objection, Sun Life respectfully states as follows:

BACKGROUND

1. On September 9, 2024, Big Lots, Inc. and certain of its affiliates (i.e., the Debtors) filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”).

2. The Debtors are a party to two insurance policies with Sun Life: Policy # 966203 and Policy # 964261 (together, the “Policies”).

¹ The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective employer identification numbers, are as follows: Great Basin, LLC (6158); Big Lots, Inc. (9097); Big Lots Management, LLC (7948); Consolidated Property Holdings, LLC (0984); Broyhill LLC (7868); Big Lots Stores - PNS, LLC (5262); Big Lots Stores, LLC (6811); BLBO Tenant, LLC (0552); Big Lots Stores - CSR, LLC (6182); CSC Distribution LLC (8785); Closeout Distribution, LLC (0309); Durant DC, LLC (2033); AVDC, LLC (3400); GAFDC LLC (8673); PAFDC LLC (2377); WAFDC, LLC (6163); INFDC, LLC (2820); Big Lots eCommerce LLC (9612); and Big Lots F&S, LLC (3277). The address of the debtors’ corporate headquarters is 4900 E. Dublin Granville Road, Columbus, OH 43081.

3. Through the Policies, the Debtors offer certain of their employees stop-loss, life, AD&D, and long-term disability insurance. Pursuant to the Policies, the Debtors are required to pay monthly premiums to Sun Life (the “Premiums”).

4. On October 16, 2024, the Debtors filed the Potential Cure Notice.

5. On October 31, 2024, the Debtors filed the Proposed Cure Notice.

6. In the Cure Notices, the Debtors list certain executory contracts and unexpired leases which the Debtors may assume and assign in connection with the Sale Transaction.² The Cure Notices also include proposed cure amounts associated with the contracts and leases listed thereon.

7. In each of the Cure Notices, the Debtors propose a cure amount of \$0.00 for the potential assumption and assignment of the following with respect to Sun Life (the “Proposed Cure Amount”):

Counterparty	Debtor Entity	Contract Description	Cure Amount
Sun Life Assurance Company of Canada	Big Lots Management, LLC	Enhanced EOI Services Agreement	-

OBJECTION

8. Before assuming an unexpired executory contract, a debtor must (a) cure (or provide adequate assurance of a prompt cure of) any defaults under the applicable contracts, and (b) provide adequate assurance of future performance under the contract. See Bankruptcy Code § 365(b)(1). Absent the foregoing, a debtor may not assume unexpired executory contracts.

9. As an initial matter, the Cure Notices are unclear as to whether the Debtors intend to assume both Policies because they only list the “Enhanced EOI Services Agreement.”

² Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Cure Notices.

10. To the extent that the Debtors intended to include both of the Policies in connection with the Cure Notices, the Proposed Cure Amount of \$0.00 is incorrect.

11. There are outstanding Premiums due on the Policies as follows:

Policy	Premiums Owed
Policy # 966203	\$127,096.00
Policy # 964261	\$791,040.75

12. The Premiums owed with respect to Policy # 966203 (\$127,096.00) include amounts owed as of October 1 and November 1, 2024.³ A copy of the invoice reflecting Premiums owed as of October 1, 2024 is attached hereto as **Exhibit A**.

13. The Premiums owed with respect to Policy # 964261 (\$791,040.75) include amounts owed as of September 1, October 1 and November 1, 2024.⁴ A copy of the invoices reflecting Premiums owed as of September 1 and October 1, 2024 are attached hereto as **Exhibit B**.

14. The Proposed Cure Amount does not account for the above Premiums totaling \$918,136.75 that are owed to Sun Life pursuant to the Policies (collectively, the “**Premiums Owed**”).

15. Additional amounts may come due prior to the Sale Transaction. Accordingly, Sun Life files this Objection to ensure that the Debtors cure all Premiums Owed and other amounts due to the extent that the Debtors assume the Policies.

³ Policy # 966203 provides a 45-day grace period for payment of Premiums.

⁴ Policy # 964261 provides a 60-day grace period for payment of Premiums.

RESERVATION OF RIGHTS

16. Sun Life reserves the right to amend this Objection as appropriate, and to supplement this Objection generally.

17. Sun Life reserves the right to further object to the Debtors' Proposed Cure Amount and to increase or further reconcile the cure claims with additional charges, obligations and costs (including attorneys' fees and expenses) which may arise pursuant to the Policies prior to the effective date of any assumption and assignment of the Policies.

18. In addition, Sun Life reserves the right to object to any proposed Order approving the Sale Transaction and/or authorizing the proposed assumption and assignment of the Policies.

WHEREFORE, Sun Life respectfully requests that this Court enter an Order:

- a. Sustaining the Objection and granting relief consistent with the Objection;
and
- b. Granting Sun Life such other and further relief as is just.

Dated: November 4, 2024
Wilmington, DE

SULLIVAN · HAZELTINE · ALLINSON LLC

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